

# **FISCAL NOTE**

## **SB 2062 - HB 2046**

January 21, 2000

**SUMMARY OF BILL:** Allows a non-profit nursing home provider to increase the number of beds for which it is licensed without a certificate of need. The increase is to be no more than 12 beds and the nursing home must have filed for such an expansion prior to May 21, 1998.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - Net Impact - \$28,200**

**Other Fiscal Impact - TennCare/Medicaid expenditures are not estimated to increase as a result of this bill. The TennCare Bureau has implemented a global funding cap for nursing home reimbursement based upon the budgeted appropriation; however, the reimbursement rate for nursing home beds may be impacted.**

This bill assumes that:

- The bill applies to only one provider.
- A slight increase in revenues from the nursing home bed tax (12 x \$2,600) will be realized due to the increase in total beds. Because no certificate of need is required, the \$3,000 CON fee is waived.
- Because of the global cap on Medicaid nursing home reimbursement, any growth in nursing home beds could decrease the average daily reimbursement; however, the small number of beds in this bill would have no significant impact on the average reimbursement.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**SB 2062 - HB 2046**